NCCEBA
REPRESENTING CLEAN ENERGY BUSINESSES

August 7, 2017

Mr. Christopher Ayers
Executive Director, Public Staff - North Carolina Utilities Commission
4326 Mail Service Center
Raleigh, NC 27699-4300

RE: New Artificial Limit to Solar Project Interconnections

Dear Mr. Ayers:

I am writing on behalf of NCCEBA's utility-scale solar members to share our industry's concerns over a recent change by Duke Energy in the commissioning process for solar facilities.

We are very concerned that this new process announced through Advanced Energy creates unnecessary constraints and an artificial limit to the number of facilities that could be connected before the end of 2017. Having a solar facility interconnected by year-end is critical to project financing, so artificially limiting those interconnections has very significant implications for the solar industry.

Please understand that the issues raised here are not objections to having a thorough commissioning process for utility scale solar farms in North Carolina. We fully and wholeheartedly support measures to ensure the safe and reliable operation of the grid. Our concerns are about this new methodology and process being rife with bottlenecks and delays, which in our view are unnecessary and entirely avoidable.

The main problems we see driving these unnecessary constraints are as follows:

1. **Unnecessarily Limited Capacity** – Advanced Energy has a limited staff and simply does not have the capacity to handle the volume of inspections, testing, and reporting that is required by our industry. The new process shows only 18 available "slots" for inspections before the end of 2017, which is not enough to accommodate all of the projects that are expected. Limiting this work to Advanced Energy creates an unnecessary bottleneck when there is ample capacity of qualified contractors in North Carolina that could be certified by Duke to conduct this work.

2. **Lack of Flexibility** – The inspection scheduling process that was announced lacks the flexibility needed to accommodate real-world conditions. Developers are asked

to commit to one of those 18 "slots" 6+ weeks beforehand, but predicting construction schedules down to the day that far in advance is rarely possible due to unforeseen issues that always arise in the real world. This new process is far less flexible than we have seen in the past in NC, and it represents an additional constraint that is unnecessary.

3. **Lengthy Response Times** – Our industry's experience so far is that the limited staff capacity at Advanced Energy is resulting in lengthy response times for returning phone calls, producing reports, and scheduling testing. Those delays further constrain the ability to get projects connected in time.

4. **Higher Costs** – It appears that this new process will result in $10,000 to $20,000+ in additional charges to each project for work that we believe should already be covered under the fees we have paid for interconnection. Our understanding is that costs for the inspection and commissioning process have historically been covered by the fixed payments a developer makes as part of the Interconnection Agreement. Also, the approach taken by Advanced Energy relies on high cost engineering staff, when lower cost field technician crews could be deployed.

The above issues will cause our companies significant uncertainty and difficulties in obtaining financing and meeting year-end financial goals. Many of the projects scheduled for connection this year have waited two or more years for Duke Energy to complete interconnection studies, and this new and unexpected process and delay is extremely concerning.

We would like to address these concerns immediately and offer suggestions to make the process, better, faster, more reliable and less costly. We stand ready to discuss options at your earliest convenience.

Sincerely,

Christopher M. Carmody, Executive Director